

**PRELIMINARY AMENDMENT**

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Please replace paragraph [0001] of the application with the following new Paragraph [0001]:

"This invention is a continuation-in-part of, and claims priority to U.S. Patent Application No. 10/192,488, entitled "SYSTEM AND METHOD FOR PAYMENT USING RADIO FREQUENCY IDENTIFICATION IN CONTACT AND CONTACTLESS TRANSACTIONS," filed on July 9, 2002 (which itself claims priority to U.S. Provisional Patent Application No. 60/304,216, filed July 10, 2001), and to U.S. Patent Application No. 10/340,352, entitled "SYSTEM AND METHOD FOR INCENTING PAYMENT USING RADIO FREQUENCY IDENTIFICATION IN CONTACT AND CONTACTLESS TRANSACTIONS," filed January 10, 2003 (which itself claims priority to U.S. Provisional Patent Application No. 60/396,577, filed July 16, 2002), all of ~~which~~ the foregoing applications are incorporated herein by reference. This invention also claims priority to U.S. Provisional Patent Application No. 60/507,803, filed September 30, 2003."